[S., J.]

SOME

ACCOUNT

OF THE

TRANSACTIONS

OF

Mr. William Paterson,

In Relation to

The BANK of England,

AND

The Orphans Fund.

In a LETTER to a Friend.

LONDON,

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SOME ACCOUNT OF THE TRANSACTIONS OF Mr. William Paterson, &c.

In a LETTER, &c.

SIR,

BY your laſt to me, you ſignifie your Trouble to hear that our Friend Mr. *Paterſon*, after ſo much Expence, Pains and Patience, in the courſe of ſeveral Years, in his promoting the *Fund* of the *Bank of England*, with ſo great ſucceſs, ſhould inſtead of being ſatisfied with the Honour and Profit thereof, prove ſo inconſiſtent with himſelf and what he was engaged in, as in a few Months to begin another Deſign, ſo oppoſite to the Bank as you underſtand the *Orphans Fund* to be; and this being ſo unaccountably otherwiſe than what you had expected from Mr. *Paterſon*, you deſire to be informed of the particulars relating thereunto.

Your Commands as well as my own Inclination eaſily induced me to inform my ſelf of thoſe Matters of Fact, which I find to be thus: Upon Mr. *Paterſon's* return into *England*, from Tranſacting ſome Affairs of his own abroad, where among other his Inſights in Trade and Improvements, he had learned the Uſe and Convenience of *Tranſferrable Funds of Intereſt*, and how Beneficial ſuch might be to the Real and Perſonal Eſtates of *England*, if Incorporated with Funds of ready Money to quicken and circulate the ſame. And likewiſe conſidering how much ſuch an Inſtitution might contribute to the ſupport of the Nation in the *May.* 1691.

preſent War; he drew up a Scheme thereof, and propoſed the ſame to ſome conſiderable Perſons in the Revenue.

But whether it was that thoſe great Men were not much acquainted with the Principals of Trade and Revenue, and the practiſe abroad; or from what other cauſe, it is not for me to determine: But as plain and as eaſie as it was, and ſome of the ſame Perſons think it now, it could not or would not be then underſtood; nor would they venture upon this new way of raiſing Money, as they called it, without a conſiderable Number of Creditable Vouchers; upon which Mr. *Paterſon* was adviſed to make a Company, or voluntary Society of Monied Men, to countenance and ſupport the Propoſal. This Society was accordingly formed, and conſiſted of upwards of Twenty Perſons, of Eſtates and Reputation: But after much time ſpent, neither the Reaſons of the Perſons concerned, nor the Reputation they had in the World, could prevail, unleſs they would become obliged to the King for the Summe propoſed to be raiſed. You can well think this put the whole Company to a ſtand, when inſtead of ſuch Reception and Encouragement, as they had Reaſon to expect, they found themſelves put to the Teſt of Perſonal Obligations to the KING for a Million or Two of Money.

But as an Expedient, it was propoſed by ſome, that the Bills ſhould be made *Current*, that ſo they might of courſe ſupply the Government with the Money: But this was by others oppoſed, and after many Diſputes found impracticable, as tending to reduce every thing to Confuſion and Uncertainty, and yet not be the nearer, but much the further, from Anſwering the propoſed End; thus the Society were diſcouraged and broken to pieces.

But Mr. *Paterſon* endeavoured to get the Experiment made upon a ſmall Summe, and to that end induced ſuch of the Society as were not yet fallen off, and ſome others, to offer themſelves to become Obliged for a Summe not exceeding Five Hundred Thouſand Pounds, to be raiſed upon a Transferrable Fund of Intereſt: But the Miniſters would not play at ſuch ſmall Games as theſe, ſo the firſt Year paſs'd without doing any thing in it.

1692. But notwithſtanding all theſe Diſcouragements, Mr. *Paterſon* reſolved to perſiſt, and ſpent moſt of the enſuing Summer in ſuiting his Propoſal to the Time and Circumſtance, and in forming a Society to undertake for a Conſiderable Summe of ready Money

ney to quicken and circulate the Summe propoſed to be raiſed by Parliament: But the Summe of ready Money being only Two Hundred Thouſand Pounds propoſed to circulate a Million, it was refuſed, unleſs the Undertakers would become Obliged for the whole; ſo the Propoſed Summe of Ten Hundred Thouſand Pounds was raiſed upon the Project of *Survivorſhip* and Lives at *Fourteen per Cent.* and the Transferrable Fund of Intereſt ſtill poſtpon'd.

These Difficulties and Diſappointments, together with the ſlights of ſome, and the ſcoffs of others, inſtead of Diſcouraging, ſerved only the more to animate Mr. *Paterſon*, who ceas'd not, Night or Day, Summer or Winter, to do his utmoſt in promoting his Propoſal, and after every Repulſe to bring it about again, judging that though the Men of our Times had neither ſtrength of Mind, nor Virtue enough to apprehend and encourage ſo plain and uſeful a thing, yet it was not impoſſible but at one time or other even their Weakneſs might be prevailed upon, by long Cultivation and unwearied Solicitations, or at leaſt the Neceſſity of Affairs, might ſo order it, that when they had gone through all the bad wayes of raiſing Money, they might happen upon ſome good ones at laſt, whereof this might be one: But by the continual Fatigues and Troubles both of his Body and Mind, his Health was exceedingly impaired, and likewiſe his Affairs, which were conſiderable, were very much prejudiced both at home and abroad: But nevertheleſs he reſolved ſtill to try what could be done in the Seſſions of Parliament of the Year 1693. 1693.

Some time before that Seſſion a Miniſter, of State ſent for Mr. *Paterſon*, and much encouraged him once more to ſet it afoot, upon which he drew a Propoſal for raiſing two Millions, at Seven *per Cent per Annum*; but when this had been bandyed at Court upon ſeveral Occaſions, and particularly in the *Treaſury*, the Lords were of Opinion there could be no Dependance upon the Money by this Fund, unleſs there were an Undertaking for the Summe propoſed, or at leaſt for ſome conſiderable part thereof: Upon this Mr. *Paterſon* was obliged to frame a New Society, to conſiſt of Forty Men, with Five Thouſand pounds each, to be a Fund of ready Money, to circulate Ten Hundred Thouſand pounds, propoſed to be raiſed upon a Fund of Intereſt of Eight *per Cent*; but when it came to be Debated again, the Officers of the Revenue, who had been in the Management of the *Tally Trade*, and much devoted to the Old *Norman Rules*, made their Com-

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putation, that as they had been obliged to give Twenty, Thirty, nay, ſometimes Forty *per Cent.* or more Diſcount for Tallies, with Eight *per Cent.* Intereſt, that had but four or five years, or leſs to run, by this ſort of Arithmetick the Tallies as they called them upon this *Bank* or *Perpertual Fund*, being never like to be paid, muſt be at leaſt double the Diſcount; ſo that the Undertakers muſt of Neceſſity loſe all their Money, and yet the KING could not be ſure of half what was Propoſed. Thus we ſee our Prince hath ſometimes had the Misfortune to have leaſt Credit by thoſe who were neareſt his Perſon. While things were thus in Suſpence, ſome of the Undertakers, tho' much againſt Mr. *Paterſon*'s Opinion, took Advantage of the Deſpondency of the Courtiers, and reſolved to get as much as they could, how unreaſonable ſoever; they therefore propoſed that for a further Encouragement for the Propoſers, and greater Security, that the Money ſhould come in, that there might not only be Eight *per Cent. per Annum*, paid for the Ten Hundred Thouſand pounds to be raiſed for the Government, but alſo Eight *per Cent. per Annum* more for the two Hundred thouſand Pounds deſigned to circulate the ſame, to which the *Treaſury* readily agreed.

Thus the KING muſt have paid Eight *per Cent. per Annum*, for for Twelve Hundred Thouſands Pounds, and had but Ten Hundred Thouſand, which would have made near Ten *per Cent. per Annum* Intereſt upon the Money raiſed, but ſome Gentlemen in the Houſe of Commons oppoſed, that this would be too great a profit for the Undertakers if the Money ſhould come in; and here was but Two Hundred Thouſand pound Security for the raiſing of Ten, wherefore they thought it not reaſonable, unleſs the Undertakers would become obliged for the whole; and others thought it a great deal too much, as indeed it was. Thus the Propoſal was daſh'd again, and the Million Lottery ſucceeded it.

After this Mr. *Paterſon* framed his Propoſal anew, for raiſing of Twelve Hundred Thouſand pounds, upon a Fund of One Hundred Thouſand pounds a Year, and drew ſome Clauſes to that effect. About this time Mr. *Michael Godfrey*, a Perſon of great Parts and Induſtry, and well known at Court and in the Houſe of Commons, began to Underſtand and eſpouſe the matter, and with him joyned ſome of the late Solicitors againſt the *Eaſt India Company*; who being diſappointed of their Expectations therein, were now the more at leiſure; moſt of thoſe Gentlemen in the beginning knew little or nothing of the matter,

ter, being induced to eſpouſe it rather from Example than Reaſon, but by thoſe Mens appearing therein, ſeveral Perſons who oppoſed it before fell in with it now, and ſuch as could not be gained by reaſon before, came now over by Example. So that after all its Revolutions, the thing was at laſt reduced to its firſt Baſis, a Voluntary Subſcription.

Thus notwithſtanding all the Induſtry and Expence of Mr. *Paterſon*, back'd by ſo many conſiderable Perſons for Parts and Eſtates he could never bring thoſe whoſe Intereſt and Buſineſs it was, to underſtand it, until he was overtopt and brow-beaten by ſuch as were ſtrangers both to him and the Buſineſs; and that inſtead of being at the Head thereof, as he had hitherto been, he was now obliged to promote his Sentiments in the *Treaſury* and elſewhere by others, who were ſtill but raw in the matter, and when it came to the Regulations of the Charter, ſome who had ſpent ſo much of their time in finding Faults with the *Eaſt-India* Company and others, that they had forgot moſt of their own, being rather prepoſſeſs'd with prejudice againſt other People, than furniſhed with right Reaſon or Juſtneſs of Temper themſelves: It was commonly reaſonable enough for them if things were but ſettled otherwiſe than they were in the Conſtitution and Practice of the *Eaſt-India Company*.

After the Difficulties were over, and the Subſcriptions begun, and had Succeſs beyond the hopes of its Friends, or the Expectations of any; tho' Mr. *Paterſon* was known to be the Original Contriver of the *Bank* by ſuch as were acquainted with him, yet the common Vogue and cry went for others, who at that time were more known and Popular than he; who Diſdaining officiouſly to put himſelf forward, he had probably not been Choſen a *Director*, had not ſome of his Acquaintance, who were moved with a ſenſe of Juſtice and Gratitude as well as Zeal to the *Bank*, been apprehenſive he might be left out but a Day or two before the Election.

When the *Directors* were Choſen, it appeared that ſome were brought in by Side-winds, ſome by Parties, and others by Accidental Reputations, without any Conſideration of their fitneſs for the *Bank*, among whom were not a few who had always been the moſt unaccountable Enemy's thereof; and now being brought over and convinc'd by Example and Succeſs; they took the Scent, followed the Croud, and when they were promoted, they began to

lay about them amain; what they wanted in Reaſon they made up in Aſſurance, and tho' they thought and did leſs of the Eſſential Buſineſs of the *Bank* than others, yet to furniſh their Quoto one way or other, they generally ſaid more; but ſtill ſuch as beſt underſtood, and moſt promoted the true Intereſt of the *Bank* had always a great Value for Mr. *Paterſon*, and a due ſenſe of what he had done, and his Experience therein, ſo far as they were acquainted therewith; of which Reſpects and Kindneſs the *Proſelytes* had no ſmall jealouſie, and what they could not directly do in oppoſition thereunto, they practiſed otherwiſe; ſometimes ſaying, *They were not Appriſed of Mr.* Paterſon's *Services*; and at other times, *That it was not the Buſineſs of the* Directors, *but of the* KING, *the* Treaſury, *or the* General Court *of the* Bank, *or of all of them to Gratifie him*; but however it were, they would not move a Finger therein. Thus all that was done in it, was only a Recommendation to the Lords of the Treaſury for a Thouſand Pounds for Mr. *Paterſon's* Charges, and ſomething ſaid of Recommending him to the KING for a further Reward. This happened about the beginning of *February* laſt.

All this Mr. *Paterſon* took patiently, reſolving not to leave the *Bank*, tho' that had ſo much left him, until he was obliged by the following Accidents to do what otherwiſe he never intended; for more than two Years paſt Mr. *Paterſon* had informed himſelf of ſome things which might contribute towards the introduceing of a Voluntary Regiſter for Lands; but this he always reſerved until that either by the Legiſlative Power, or ſome Voluntary Conſtitution a *Bank* might be Eſtabliſhed in *England*, the Practiſe of which would render the Introduction of this more eaſie and profitable to the Undertakers; and the *Bank* of *England* being now fully ſettled, he conſider'd that after the Treatment he had met with therein, he had no Reaſon to expect any ſort of ſuitable Return for this or any other of his Contrivances from the *Bank*: And beſides that, the *Directors* were utterly averſe from doing any thing in Land: To which may be added, that Mr. *Paterſon* had been long enough a Servant to the Publick, and neglected himſelf, it concerned him the more to take ſome Care that he might partake of the good as well as the bad ſucceſs of what he ſhould contrive and ſet afoot in time to come; he therefore inclined to have this Fund for a *Voluntary Regiſter*, ſeparate and appart from the *Bank*; and to that end pitched upon the *perpetual Fund of Intereſt* payable to the *Orphans* and other Creditors of the City of *London*; but was ſo far from deſigning any

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prejudice to the *Bank* thereby, that he conſulted ſome of the *Directors* thereof, whom he eſteemed his particular Friends, ſome of whom ſlighted it as they uſed to do every thing elſe at firſt; but others tho' they would not be concerned, approved thereof, and gave Mr. *Paterſon* their beſt Advice therein, ſo far were they from thinking it would interfere with the *Bank*. Upon this a Propoſal was framed, and a Subſcription begun for Four Hundred Thouſand Pounds.

But when the Subſcriptions upon the *Orphans Credit* was begun, and the Propoſals publick at a *Court* of *Directors*, Mr. *Paterſon* being preſent, one of the *Directors* preſented one of the Propoſals to the *Governour* in order to be read, which being done, Mr. *Paterſon* ſtood up, and acquainted the *Governour* that this Propoſal related to him, and by what he perceived, ſuppoſed that ſome of the Gentlemen might think it a Deſign to Interfere with the *Bank*; that he was ready to ſatisfie the *Court* he had no ſuch Deſigns, whatever the conſequence might be, and in order to ſuch ſatisfaction, if they pleaſed to appoint a Committee, he was ready to impart his whole Deſign to them, of which they would be Judges: Upon which one of the *Directors*, who I dare ſay meant no ill to Mr. *Paterſon*, whatever uſe others made on't, but only being a Motion-Maker, what was in muſt out, ſtood up and ſaid, that it was not as he conceived ſo much their Buſineſs to enquire into what Mr. *Paterſon* deſigned, as to enquire if what he had done was conſiſtent with his Duty, and the Truſt in him repoſed; ſo upon this Mr. *Paterſon* withdrew, expecting they would enter upon ſome Debates among themſelves, and give him time to ſpeak for and clear himſelf; not ſo much as ſuppoſing they would proceed to Cenſure, much leſs to conclude him, before he were heard; but in his Abſence they not only made their own Conſtructions of his Actions, but even of his Words, and to make ſhort work on't came to the following, or a Reſolution to this Effect, *viz.*

That the Subſcription upon the Orphans Fund of Intereſt *was prejudicial to the* Bank, *and that it was a Breach of Truſt for any* Director *to promote the ſame.*

Some of the moſt moderate were only for Inſerting, that *it was unbecoming a Director*, and for leaving out the hard Expreſſion of *a breach of Truſt*, but the Zeal of the *New Converts* prevailed,

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ſo no Moderation or Temper would be admitted. Mr. *Paterſon* returned before the Court was up, upon which the *Governour* acquainted him with the ſaid Reſolution, and withall, that it was not the Opinion of any of the *Directors*, that Mr. *Paterſon* had any Deſign of doing the *Bank* a prejudice, but that others would make uſe of him as a handle for Deſigns he never Intended; upon this Mr. *Paterſon* thanked the *Directors* for their good Opinion of, and Juſtice to him, and ſaid he could not anſwer for Conſequences, but that he was much ſurprized to find that what the *Governour* acquainted him with was ſo directly contrary to their Reſolution, which plainly Voted him guilty of *a breach of Truſt*; that in all the Tranſactions of his Life he had been the moſt nicely tender, and had the higheſt regard for his Integrity and Reputation; and it grieved him exceedingly to find that now ſtruck at, and that ſo undeſervedly, from the *Bank* of *England*, from which he had Reaſon to expect other things; that it was ſtrange they ſhould Vote him guilty of *a breach of Truſt* for a may be, *and by their own Confeſſion* not for a may be of his own, *but of other peoples*; that he was the firſt, and perhaps the greateſt Benefactor of the *Bank*; that beſides the Labour of ſeveral Years, he had expended, loſt, and been damnify'd more than Five Thouſand Pounds in promoting thereof: That notwithſtanding he was ſo much a Sufferer, yet had he in a great meaſure hitherto held his peace, and not put himſelf forward, as under the like Circumſtances ſome others would have done; that he was moved to ſay what he ſaid, by apprehending himſelf exceedingly wronged, wherefore he hoped the *Directors* upon further thoughts would alter their Reſolution, and the more becauſe otherwiſe all terms and means of a future Correſpondence were broke; for he could not in Prudence, and Juſtice to himſelf, converſe with thoſe who had ſo wrongfully adjudged him guilty of *a breach of Truſt*, as he apprehended they had done.

The *Governour* made Anſwer, That it was not as he conceived, the Buſineſs of the *Directors*, but of the *Government*, *or a General Court of the* Bank, to gratifie Mr. *Paterſon*, and ſeemed much concerned at Mr. *Paterſon's* Pretenſions, who thereupon withdrew, hoping they would alter their Reſolution, but nothing of that Nature was done. After this Mr. *Paterſon* being willing to remove all Occaſion of Offence, how ill grounded ſoever, and rather to remain a Friend to the *Bank* that had coſt him ſo dear, tho' he were ſure to be a loſer, than be a gainer by any thing elſe that might but ſeem to interfere therewith; and conſidering that what

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by the Animoſities of Men, and by Conſequences, that it was impoſſible for him to foreſee this Deſign of his might poſſibly come to be prejudicial to, and interfere with the *Bank*, tho' never ſo much contrary to his Intentions. The next Court of Directors he appeared, and freely communicated to them his Deſign in its utmoſt Extent, in order to have their Judgments therein, the better to prevent what might be prejudicial to or interfere with the *Bank*. What he communicated to them was as follows,

First, *That the Subſcriptions was deſigned for a Fund to Inſure Titles of Land.*
Secondly, *To Negotiate in Truſts and Settlements.*
Thirdly, *To borrow and lend Money upon Land.*

Thus you ſee the two firſt could not in any ſort prejudice the *Bank*, and the laſt was only a Conſequence of the former, and aroſe from the Neceſſity occaſioned by the *Banks* averſneſs from medling with Land. Thus Mr. *Paterſon* endeavoured ſtill to open the way for a good underſtanding, and to decline every thing that might but ſeem to interfere with the *Bank*; but when he was withdrawn, they entered into a Debate, whither what he had offered was ſatisfactory, which was carryed in the Negative, and it was moved and carryed, that tho' the *Court* of *Directors* could not ſuſpend a Member thereof, yet they reſolved that the *Governour* ſhould acquaint Mr. *Paterſon* that it was their Opinion that he ſhould decline his Attendance among them, until this Miſunderſtanding ſhould be compoſed.

Thus they not only perſiſted in not ſuffering Mr. *Paterſon* to anſwer for or explain himſelf, but preſumed in Effect to Suſpend a *Director* without a *General Court*, to whom they are only anſwerable. But Mr. *Paterſon* having no certain Information of theſe Reſolutions, appear'd at the next *Court* of *Directors*, but being ſomewhat late, the Minutes of the preceeding Court were read, and they were enter'd upon other Buſineſs; where when Mr. *Paterſon* had ſtaid a conſiderable time, ſome of the *Directors* began to whiſper the *Deputy Governour*, who was then in the Chair; upon which he abruptly broke off from other Buſineſs, and ordered the *Secretary* to read ſome part of the laſt Minutes, *which are mentioned before* relating to Mr. *Paterſon*, who thereupon ſtood up and ſaid, that by theſe Reſolutions he perceived the *Directors* ſtill perſiſted to conclude him in his Abſence; that ſince they had given him this

Occaſion, he ſhould not only decline coming among them, but alſo the being a *Director*, and ſhould give place to ſome or other of whoſe Head they might have leſs Cauſe of Jealouſie, but never to any whoſe Heart was more true to the *Bank*; that altho' what the *Bank* had done for him laid no Obligations, but much the contrary, yet what he had done for that ſhould alvvays induce him to Wiſh its Proſperity; upon which he withdrew, and in a few dayes after Transferred his Stock in the *Bank*, and ſo diſabled himſelf from being a *Director*.

This was Mr. *Paterſon*'s Reward for all his Hazard and Labour, and the Expence of near ſeven Hundred Pounds in promoting the *Bank*, whereof not above Fifty Pounds was contributed by any other *; and by his great Attachment thereto, and unwearied Attendance therein, had been Damaged in his other Affairs here and beyond the Seas upwards of Four thouſand Pounds more. He now finds by Experience, that had it been a Miſcarriage, it had been his, and there had been no Danger of Competition; but now its a Succeſs, it belongs to other People, and they reap the Fruits of it.

* Beſides One Hundred and Twelve Pounds ten Shillings he had for three quarters of a Years Allowance as a *Director*.

When you conſider theſe things in themſelves, as alſo that they were done by an Infant Corporation of but ſix or ſeven Months old, and this to a Perſon to whom the *Bank* owed the higheſt Reſpect and Gratitude, and all this Influenced by a ſort of Men who have ſpent no ſmall time in appearing againſt the Arbitrary and Illegal Proceedings of the *Eaſt India Company*; and who have been ſo very Nice in their Juſtice therein, that rather than not have Juſtice done, they would reſtore us *the old Pagan Cuſtom of puniſhing the Innocent with the Guilty*; perhaps you will think it ſtrange.

Doubtleſs what Mr. *Paterſon* did for the *Bank*, was ſo freely and generouſly done, with a Dependance only upon the ſucceſs, that it is not only the Duty of the perſons concerned, but even of the Standers by, to do their utmoſt to procure him right, ſo far as it comes within their Knowledge or Power, if that be a Rule of Righteouſneſs, *That Men ſhould love their Neighbours as themſelves, and do as they would be done unto*; and ſince the Caſe is ſuch, as may be to Poſterity a Reflection not only upon the *Bank* but upon the Government, and it may be upon the very Nation; and certainly it can be but an odd ſort of Omen for thoſe who ſet up for Truſtees for the Nation, and it will be no eaſie matter

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to perſwade that thoſe who are unjuſt and ingrateful in the beginning to the firſt Contriver and Promoter of the *Bank*, will prove otherwiſe in the end to other people, tho' they may make ſome ſhift ſo long as moſt is to be got by being juſt, or pretending to be ſo.

It's hard that neither a Mans Juſtice nor Uſefulneſs, ſhould ſometimes be able to protect him from Diſcouragement, Ingratitude and Injury; but tho' it be hard, it is not ſtrange; for even the Prophets and Heroes of old were ſeldom or ever endured in their Lives; its true when Death made them incapable of Good or Hurt, Love or Hatred, and that there was no further danger of their Competition with any. Men commonly began to build and adorn their Sepulchres, and to diſplay and magnifie their Virtues, but uſually thoſe Ghoſtly Qualifications were rather raiſed up in order to conjure down thoſe of the Living, or for an Umbrage to worſe Injuries to others then to make any attonement for thoſe done unto them, how much ſoever pretended.

But thus it will be, ſo long as men have a ſort of reſerved and hidden itch and pleaſure in deceiving and being deceived, and to follow Mock Lights rather than true, and have reſpect to the perſon ſpeaking and doing, and not for the nature of the thing ſpoken and done; it often happening among the Crowd, that theſe who have leaſt reaſon have moſt Impudence; and ſometimes men are lookt upon for the ſake of their Anceſtors, and not for their own, or becauſe they have been Fortunate, Rich, or well allay'd, they muſt therefore be good for every thing; thus many times whole Societies of Men and Nations have the Virtue and Reaſon among them chilled and frozen up by that, or that ſuppoſed of ſombodies Anceſtors, or by the power or fortune of ſome or other, who gets the Aſcendant over them, but when a Prince or People are bleſt with ſo much Virtue as to break thoſe formal fetters, and to make ſome uſe and account of true Virtue, where ever they find it, they always do wonders, this being the ordinary means by which Almighty God exerts his power of making great things little, and little things great.

It's wonderful to conſider from what ſmall beginnings and occaſions ſometimes great things have their riſe, for how eaſie had it been to have laid perpetual Obligations upon Mr. *Paterſon* to the *Bank* of *England*; for perhaps had but a few more of the Directors harboured the ſame generous Sentiments of, and Kind-

neſs

neſs for Mr. *Paterſon*, that eight or nine of them did, or if the Court of Directors had but uſed ſofter words in expreſſing themſelves in what related to him, as the moſt moderate and diſcreet among them adviſed; the *Orphans Fund* had not now, if ever been, what it is, and is like to be. Thus the Antipathies of thoſe Gentlemen who have been ſo great Oppoſers of Mr. *Paterſon*, and what is due unto him, have providentially been of greater uſe to the World in this, then perhaps ever their Sympathies were in any thing elſe, and have, how little ſoever they intended it, thereby rendered Mr. *Paterſon* and what he propoſed far more conſiderable then ever they could otherwiſe have been.

Providence thus ſeaſonably putting ſome reaſonable Stop and Limits to the Courſe and Bounds of the greatneſs of the *Bank* of *England*, which hath and doth proceed from the nature of the thing, and not from the ſingular Virtue and Conduct of the Managers more than other men; as ſome who judge of things only by their outſides have thought; which being in the hands of men who cannot endure Proſperity, no not for ſix or ſeven months, might have been of dangerous Conſequence to the very Nation as well as themſelves. Thus when Almighty God will diſappoint or deſtroy, he firſt hardens Mens Hearts, and blinds their Eyes.

And ſurely tis ſtrange, to ſee how far the Paſſions of men will carry them; for tho' the Gentlemen of the *Bank*, but a few months ſince, have ſeen the prejudices and little ſhifts of the Goldſmiths return upon their own heads, which have been ſo far from anſwering the Ends propoſed, as to be none of the leaſt immediate cauſes of the ſubite and ſurprizing ſucceſs of the *Bank*; yet that thoſe very men ſhould be ſo infatuated, as to take the ſame and ſome other more prepoſterous Courſes with the *Orphans Fund* in their, but eſpecially in ſome of their Carriage to Mr. *Paterſon*, and in refuſing to take, or ſo much as to receive the Notes of the *Orphans Fund*, thereby manifeſting to the World their impoſing and inſulting Diſpoſitions more than others could have done; a ſeaſonable caution not only to the Proprietors of the *Orphans Fund*, but to all others, what to expect if they happen to come within their reach and power. In the mean while, it hath ſerved only to make the *Orphans Fund* the better beloved, and to diſtinguiſh it the more, rendering even their own Friends and Cuſtomers the more uneaſie with them; and the more inclinable to the *Orphans Fund*; thus we find the Directors of the Bank of *England* ſuch a ſort of Chriſtians, that for the very ſatisfaction of thinking they torment others, they

they are content to be tormented themſelves. But whatever it may be with Directors of *Banks*; we know its but uſual for ſuch ſort of Animals as want, or have not the uſe of, reaſon to have recourſe to rage.

Thus having given you ſome account of Mr. *Paterſons* Tranſactions in, for and with the *Bank*, I ſhall now proceed to do the ſame with relation to the *Orphans-Fund*.

This *Fund* was begun by a Subſcription of the *Orphans-Fund* of perpetual Intereſt for Four Hundred Thouſand pounds, and afterwards two hundred thouſand pounds more was added thereunto, and ſixty pounds in money allowed as an Equivalent for one hundred pounds of the ſaid *Orphans* Intereſt. This *Fund* was and is principally deſigned for Land, but being a free and voluntary Settlement, they have alſo liberty to do what otherwiſe they ſhall find for their Advantage, they have no Legiſlative nor Royal Conceſſions for ſhelter or recourſe; nor have they any lofty Titles or Dazling Denominations for or towards their ſupport; but they lye open and have not, nor expect not any protection but from their own Integrity and the Common Laws of their Countrey; which will of courſe induce them to the greater Caution and Vigilance in their intended Undertakings which are not deſigned to prejudice others, but only to improve their own Eſtates ſo far as they lawfully may; in fine they have both a publick and particular good in their Hands, and ſeem to be the happy inſtruments for handing thereof to the preſent Age and Poſterity.

And what is like to remain a blemiſh to the *Bank* of *England*, will be the laſting glory of the *Orphans-Fund*, for tho' the Inſtitution of both be equally due to Mr. *Paterſon*, to whomſoever ſome of the particular Conſtitutions may be, and the *Bank* Coſt him incomparably the moſt Time, Pains, Hazard and Expence, yet from the *Bank* he had only ſuch Returns as you have heard; but the *Truſtees* and *Proprietors* of the *Orphans-Fund*, generouſly and unanimouſly conceded to Mr. *Paterſon* five *per Cent. per Annum* of their profits above the Orphans Intereſt for one and twenty years, to come and if it be under ſome Reſtrictions, they are ſuch as he always intended as juſt and reaſonable, and therefore willingly ſubmitted unto; and which ſufficiently ſhew the value the *Directors* and Proprietors of the *Ophans-Fund* have for him, all which hath doubtleſs laid him under perpetual Obligations to do his utmoſt for their advantage ſince to a juſt and generous perſon, no

Obligation upon Earth can be more firm and durable than what they have laid upon Mr. *Paterſon.*

Whoſoever ſhall duly conſider the Settlement of this Fund, will find it to be one of the cleareſt, leaſt entangled, and moſt ſuitable, and convenient, that ever was of that kind in the trading World. But things which depend ſo much upon the practice, can never be eaſily expreſt by words, wherefore I ſhall leave it to time to explain, and only ſay, that the *Bank* is a Fund for the publick, but the *Orphans-Fund* for the particular Eſtates of *England*; the Bent of the Conſtitution of the *Orphans-Fund* is for real Eſtates, the *Bank* for perſonal; the *Bank* reſembles the Goldſmith altogether, but the *Orphans Fund* alſo much of the Money-Scriveners; the *Orphans Fund* may lawfully do whatſoever is permitted to the *Bank*, and alſo many other things, which the *Bank* is not permitted to do, for the better Underſtanding whereof I ſhall here inſert

An Abſtract of the Deed of Settlement for Conſtituting *The Orphans Fund.*

I. *THE Subſcribers agree to Conſolidate their ſeveral Rights and Intereſts, amounting in the whole to Six Hundred Thouſand pounds, by Transferring the ſame to the* Truſtees *and* Directors *there Named, for the better Improvement thereof.*

II. *The Truſtees accept the Truſt, ſubject to the Uſes and Conditions, and aſſume the Name, and Addition of* Truſtees *and* Directors *of the* Orphans Fund.

III. *Firſt* Truſtees *to continue 'till the firſt day of* May, 1696. *and from thence 'till others be Choſen, and have the Truſt veſted in them.*

IV. *From and after the ſaid Firſt day of* May, *the Owners of the Fund upon ſome day or days of the ſaid Month of* May, *and ſo Annually, ſhall Chooſe the* Truſtees *and* Directors *thereof, the Number of whom are not to be leſs than Twenty One, nor more than Twenty ſix.*

V. *Elections to be by Majority of Votes, of the perſons preſent each Five Hundred pounds to have One Vote, and none to have more than Five Votes.*

VI. *Three*

VI. *Three days Notice of Election at leaſt to be affixed on the Royal Exchange* London, *from time to time.*

VII. *In caſe of the Death or Avoidance of any of the Truſtees, the Survivors of them to aſſemble the Owners of the Fund to elect others.*

VIII. *None to be elected Truſtee unleſs he have two thouſand pounds at leaſt in the Capital Stock of the Fund.*

IX. *No Truſtee to be admitted to transfer any part of his two thouſand pounds, qualifying him thereto, before he have Reſigned and Conveyed his Truſt.*

X. *In Caſe any Truſtee ſhall refuſe to Reſign and Convey his Truſt, his two thouſand pounds to go to the Uſe and Benefit of the reſt of the Owners of the Fund.*

XI. *If the* Truſtees *do not ſummon a General Aſſembly in the Month of* May, *any Ten or more qualify'd for Electors may in* June *next enſuing, by Notice as aforeſaid, Summon a General Aſſembly to be held in the ſame manner as if held in the Month of* May.

XII. Truſtees *at any time upon demand of any ten or more of the Electors to ſummon a General Aſſembly.*

XII. *Upon the Refuſal of the* Truſtees *by the ſpace of ten dayes or more, ſuch ten or more of the Electors may by ſuch Notice as aforeſaid, Summon and hold ſuch General Aſſembly.*

XIV. *In the removal or diſplacing of all or any of the* Truſtees, *and all other Matters and things by them tranſacted, (excepting only in Electing* Truſtees *and* Directors *as aforeſaid) the General Aſſembly to act and proceed by Majority of Votes of the perſons preſent qualify'd for Voting as aforeſaid, every perſon having One Vote and no more.*

XV. *General Aſſemblies, upon reaſonable Cauſe aſſigned, may remove and diſplace all or any of the* Truſtees *and* Directors *for the time, and Elect others in their ſtead; and order and direct the making of the Dividends, allow Gratuities to the* Truſtees *and* Directors, *and to make and ſettle ſuch further and other Rules and Conſtitutions for the good Government and Improvement of their Capital Stock or* Fund, *as they ſhall from time to time think needful, but ſubject to the Truſt, which Acts and Proceedings of theirs ſhall be binding and concluſive to all and every the Proprietors and Owners of the ſaid* Fund.

VI. *Truſtees*

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XVI. *Truſtees or Majority of them Aſſembled, to act by plurality of Votes, each perſon having one Vote and no more.*

XVII. Truſtees *may conſtitute Sub-Committees, or leſſer numbers of themſelves to act as they ſee cauſe.*

XVIII. Truſtees *may borrow Money at* Intereſt, *or without, charge the* Fund *by Bills or Notes of Credit, with the payment of any ſums of money, as alſo may charge the ſame or any part thereof with any other Contracts, Debts or Ingagements by them or their order, to be given out upon ſecurity thereof.*

XIX. *May Lend Money upon, or purchaſe Lands, Leaſes, Goods or Chattels, or in Exchange for other Bills or Notes.*

XX. *May lend money on the Stock, or any part thereof, without any actual Transfer.*

XXI. *Stock anſwerable for all Debts due from the Proprietors thereof to the Company.*

XXII. Truſtees *may take to themſelves, or any of them, for the uſe of the whole, any Conveyances or Aſſignments of Lands or other Eſtates, and ſuffer the perſons Conveying to draw* Bills *for the value. And may tranſact and do all ſuch other matters and things as they ſhall judge for profit and improvement of the* Fund.

XXIII. *May appoint Officers and Servants, allow Sallaries, ſettle Fees, and do all other things needful for the management of the ſaid* Fund.

XXIV. Truſtees *in Perſon and Eſtate indempnified for acting therein, unleſs for wilful fraud, or apparent* Breach of Truſt, *in which caſe only, the perſon or perſons guilty ſhall be chargeable therewith.*

XXV. Truſtees *and* Owners of the Fund *in their Perſons or Eſtates, not liable for more, or further, than their reſpective proportions in the ſaid* Fund.

XXVI. Subſcribers *directed to Transfer the Legal Intereſt of the* Orphans Credit *to the* Truſtees.

XXVII. Truſtees *may accept of* 60 *l. as an equivolent for, and in lieu of each* 100 *pounds in the* Orphans Credit.

XXVIII. Power *to purchaſe* Supplimental Funds *with the money ſo paid in lieu of* Orphans Credit, *but may employ the money at Intereſt until ſuch* Purchaſe *can be made.*

XXIX. *The*

XXIX. *The whole* Fund *ſhall Continue and Remain in the* Truſtees *and* Directors, *as a perpetual* Fund of Credit *and* Security, *and be called,* The Capital Fund conſolidated in the Truſtees and Directors of the Orphans Fund, *never to be ſold nor alienated in any other way and manner then is herein declared.*

XXX. *That for the ſpace of one and twenty years, from the* 24th. *of* June, 1695. *The Truſtees out of the profits annually or oftner ſhall pay and divide among the owners of the Fund ſo much of the profits as ſhall amount to ſo much money for every hundred pounds as ſhall be equivalent to the Intereſt paid by the City of* London, *and ſo for a greater or leſſer Summ.*

XXXI. *That the Surpluſs of the profits and incomes for the firſt eleven years, part of the ſaid one and twenty years, be laid out in Funds of Augmentation to the ſame uſes, for Corroborating, Strengthning and Augmenting the Fund.*

XXXII. *That the Rents, Profits, and contingent Improvements of ſuch Funds of Augmentation, be annually or oftner if need be, for ever divided in manner following, that it to ſay, one twentieth part, the ſame being into twenty equal parts divided, to Mr.* Paterſon, *his Executors, Adminiſtrators and Aſſigns, for propoſing and contriving the Settlement, and the Reſidue to the owners of the Fund, proportionable to every ones intereſt therein.*

XXXIII. *And for the remaining ten years, other part of the ſaid one and twenty years, after the payment of the Orphans intereſt thereout as aforeſaid, the Reſidue of the Profits and Incomes to be annually and oftner divided, one twentieth part to Mr.* Paterſon, *and the Reſidue to the Owners of the Fund, in proportion to every ones intereſt therein.*

XXXIV. *The Publick Books and Accompts of the Company to be concluſive, to Mr.* Paterſon *his Executors, Adminiſtrators and Aſſigns for the ſaid twentieth part, and he or they not allowed to demand any other Account either in Law or Equity.*

XXXV. *In caſe Mr.* Paterſon *ſhall dye before the end of the ſaid one and twenty years, the Truſtees and Directors for the time may purchaſe the ſaid twentieth part of the profits, reducing the firſt ſeven years of the ſame into an average, and deducting ſix* per Cent. per Annum *intereſt for their money in the uſual way of purchaſing Annuities.*

XXXVI. *If Mr.* Paterſon *ſhall Sell or Transferr his Two Thouſand*

pounds

pounds, qualifieing him for a Truſtee; or in caſe he ſhall at any time ſettle, or eſtabliſh, or accept, or take upon him any place of Truſt, in any other Bank, or publick Fund of Credit and Security within this Kingdom, without Conſent of the General Aſſembly of the ſaid Fund, then and from thenceforth the ſaid twentieth part of the Profits ſhall reſult and go from Mr. Paterſon to the uſe of the Owners of the Fund, proportionable to every ones Intereſt therein.

XXXVII. That from and after the ſaid One and Twenty Years, the whole Profits and Improvements for ever to go to the Owners of the Fund, proportionable to their reſpective Intereſts.

XXXVIII. Dividends not to be made but by order and conſent of the General Aſſembly.

XXXIX. The Fund and all the profits and improvements thereof ſubject to the Uſes and Truſts therein, to be to the uſe and benefit of the Owners and Proprietors, proportionable to every ones intereſt in the Regiſter Books of the Company, and for no other uſe or uſes.

XL. Regiſter Books of Credit and tranſer to be kept by the Truſtees, wherein and whereby every ones intereſt in the Fund ſhall be expreſt and aſcertained.

XLI. That the manner of transferring ſhall by an Entry in or upon ſome or one of ſuch Regiſter Books, ſigned by the perſon transferring the ſame, or ſome other thereunto, on his or her behalf, by him or her appointed.

XLII. Likewiſe the Acceptance thereof ſhall be by an Entry in ſuch Regiſter Books, ſigned by the party accepting, or ſome other by him or her thereunto appointed.

XLIII. Mr. Paterſon's twentieth part to be transferred in ſuch manner as he or his Executors or Adminiſtrators ſhall by writing in and upon ſuch Regiſter Books direct and appoint.

XLIV. No other transfer and aſſignment of the Fund to be good.

XLV. The Fund in truſt to deſcend to Executor and not to Heir.

XLVI. Transferrable by Executors, notwithſtanding deviſe in ſpecie, but not to alter the deviſe.

XLVII. Power to Truſtees and Owners of the Fund to make further, and other Deeds, Settlements and Declarations of Truſt, for the more effectual Conſtituting, Setling and Eſtabliſhing of the ſaid Fund, upon the Truſts

and

and for the uſes aforeſaid, as ſhall by Counſel learned in the Law be reaſonably Adviſed, Deviſed or Required.

XLVIII. *This Deed to be inrolled in the High Court of* Chancery.

Thus you ſee an effectual Courſe taken to prevent the ſmaller Participants by Animoſities or other Corruption, to render the Government of the Fund over Precarious and Mutable, by allowing one Perſon to have a Number of Votes not exceeding Five, in Election of *Directors*: As alſo here is due Care taken that the greater Participants may not be able to overtop the leſſer, and Contract the Management in a few, to the Prejudice or Diſcouragement of the reſt, by allowing only One Vote in diſplacing of *Truſtees* and *Directors*, and in all other Matters of the Government of the Fund.

Here is alſo ſufficient Proviſion made to prevent what hath ruined moſt Companies, which is the dividing and taking out not only the Profits, but often all or the greateſt part of the Stock; and if the Liberty of making Dividends at large be pernicious to all Companies, it muſt needs be abundantly the moſt to Companies of Credit and Security.

And here is not only Care taken to prevent Dividing or Weakning the Stock, but a way found to ſtrengthen and Corroborate the ſame by every Dividend, and yet every particular Perſon's Occaſions may be ſerved as well or better than if the Dividend were made in Money; for Yearly or oftener when Funds of Augmentation are ſettled, there can be no better or readier Purchaſes for the Company, than to buy ſuch Proportions thereof, as are to be diſpoſed at the Original Rate.

Thus Widdows, Orphans, and others, inſtead of taking ready Money, and be left to Improve it how they can, will have it in their Choice, whether they will take that, or an Annual Income ſettled to their hands, thus the Fund may improve it ſelf by it ſelf, having opportunity to make intereſt upon intereſt by every Purchaſe of this kind.

By this and the ſcope of the whole Settlement, every part of the Fund will not only be made quick and Living Stock, but whatſoever elſe they Tranſact, and ſhall be ſuited to their Conſtitution, will alſo be ſuch. Thus by allowing the ſmall difference

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of Three *per Cent. per Annum*, or ſuch like, People will always have the Uſe, Convenience and Command of ready Money for their Effects, in or with this Fund.

I ſhall not ſpeak of ſome things they intend, different from other Banks or Funds, as their Deſign towards introducing a Voluntary Regiſter for Lands, and ſeveral other things not yet in practiſe, they have already brought the Intereſt of Money upon Bullion, Bills of Exchange, and Bills in Trade, to three *per Cent. per Annum.* And were it fit for me to publiſh what I have heard of their intended Undertakings, perhaps I might ſay them faſter, yet never ſo well as they may do them; time in the ſteps which they ſhall take, will doubtleſs be the beſt and cleareſt demonſtrations.

Thus you ſee, that tho' Mr. *Paterſon* be not ſo Induſtrious to publiſh his Merit, as ſome others would have been, yet hath he not leſs, but much more deſerved of the *Bank* of *England* than the *Orphans Fund*, how different and unſuitable ſoever the Returns may be, and I hope he will at one time or other give us in Writing the full Account of what hath paſs'd in theſe Matters, together with the Authentique Peices relating thereunto, if not from his own Inclinations, yet at the Requeſt of his Friends, that tho' the preſent age and poſterity may loſe by the ill uſuage and diſcouragements he hath met with, not only from the influence it may have upon himſelf, but upon the Spirits of others, who might otherwiſe be capable and ready to ſerve their Country in things of this nature, yet at leaſt that they may not be deprived of ſo material a piece of Hiſtory relating to the practice of Men and Things, and in the mean time what elſe of moment of this kind ſhall occur, I ſhall not fail to adviſe.

I am Yours,

London, 3 July, 1695.

J. S.